31 January 1985

NOTE TO: All DDI Employees

SUBJECT: Annual Report on the Directorate

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Because the auditorium seats less than a third of the Directorate (in two sessions), I have decided to circulate the text of the speech I gave on 29 January. I would like everyone to be aware of at least some of the Directorate's achievements during the past year, the reactions of just a few of our more prominent consumers, and especially to reflect on the unmet challenges we still have before us in improving our work.

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Robert M. Gates
Deputy Director for Intelligence

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Report on CIA Analysis in 1984

A Speech to the Directorate of Intelligence

January 29, 1985

As we begin our fourth year together, I decided to return to the practice of the first two years of speaking to you personally about the work of the Directorate.

Where We Are

1984 was a year of significant analytical accomplishment for the Directorate. Let me give you a flavor of some of the significant analysis we did:

 OSWR made new accuracy assessments of	25X1
ICBM systems that suggest that the structure of	25X1
the Soviet ICBM force is different than we earlier	
believed.	25 X 1
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 EURA published a detailed analysis of trends in Allied	
defense spending for conventional forces, an important	
assessment that was exceptionally timely.	25 X 1
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Finally, SOVA correctly forecast	
Soviet behavior throughout our election year, judging	
that the USSR was not preparing for a major	
confrontation with the US in the near term and	
forecasting Soviet moves to reopen the arms control	
dialogue after the election.	
 ASG began experimental applications of various	
methodologies to identify linkages among members of drug	

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trafficking families and to examine the extent of the

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 NESA accurately forecast developments in Lebanon and	
responses to US actions there, highlighted the ominous	
implications of continued Pakistani work on nuclear	
weapons, and forecast the outcome of the July Israeli national election. NESA also provided analysis of	
Israel's worsening economic crisis and the government's	
strategies for dealing with it.	
 OGI published an analysis on population resources and	
politics in the Third World until the year 2000, carried	
out detailed vulnerability studies of Middle East oil facilities as well as the West European electric power	
grid, and published a major research paper on the	
connection between political unrest and declining	
economic circumstances.	
 OEA not only correctly forecast the Philippine financial	
crisis long before it was sensed in the financial and	
banking communities, but also alerted policymakers to the high risk of long term instability flowing from the	
Communist insurgency and growing ineffectiveness of the	
Marcos government.	
 ALA produced significant and accurate papers on	
guerrilla capabilities and prospects in El Salvador as	
well as on the performance of the Salvadoran military. ALA also correctly predicted the outcome of the	
Salvadoran elections in March and the aftermath,	
including policies that would result from Duarte's	
election. The office also completed its major research	
effort on South Africa (including the economic	
limitations on reform efforts there).	_
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-- And, CPAS made major changes in the NID improving its quality and substantive coverage, changes which elicited highly favorable reactions from policy readers. Our

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special access to PDB readers continued, and they increasingly used that direct channel to task us on both current and longer range assessments.

These achievements represent only a fraction of the more than 800 projects completed in the 1984 research program, thereby underscoring the good health of longer term research in the Directorate. Beyond this, we made an enormous effort on current intelligence, briefings and ad hoc support.

Our achievements are recognized. Just listen to a handful of the many letters that we have received:

- -- "Now that I have returned from a most successful trip to China, I want to thank you for the contributions you made. In particular, Nancy and I very much appreciated your efforts in preparation for the trip." -- Ronald Reagan.
- -- "The Agency provided a good deal of excellent briefing material for my trip to Latin America earlier this month and did so quickly.... Fine work." -- Ken Dam, Deputy Secretary of State.
- -- "I just wanted to take a moment to express my appreciation for the outstanding job done by CIA in support of the President's participation in the London Summit. The economic analyses of key Summit issues by Agency staff were superb." -- Robert C. McFarlane.

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- -- "During the last several months, the Office of Science and Technology Policy has relied upon members of the Cartography Design and Production Group of CPAS for the creation of several types of presentation material. The response we have received from this organization has been outstanding and the product quality exceptional." -- Jay Keyworth, Science Advisor to the President.
- -- "CIA's really putting out super intelligence for Treasury. I've given up writing thank yous because it's so repetitious but want you to know that the product is first rate." -- Tim McNamar, Deputy Secretary of the Treasury.
- -- "Dear Mr. Casey: It is always a pleasure to be able to pass on compliments for a job well done. Members of the Committee who were present for the briefing given by your Arms Control Intelligence Staff received a first class presentation." -- Edward P. Boland, Chairman, HPSCI.
- -- "I write to tell you how impressed I continue to be with the expertise and intellect of your analysts in my

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field. I want to tell you of my wholehearted admiration for CIA's analytic capabilities." -- Robert Putnam, Chairman, Department of Government, Harvard University (after attending CIA conference on Italy).

-- "The Directorate of Intelligence has made tremendous strides. I strongly believe that the analytic product is more focused, well-reasoned, and perceptive than ever before. One sees a resurgence of pride in each individual analyst whose advice and counsel to policymakers throughout our government is so vital." -- Senator Richard Lugar, former member of the SSCI and now Chairman, Foreign Relations Committee.

I received a large number of these letters during the course of the year commending work by every office and staff. Even so, let's not forget that most of our work is, in fact, for lower ranking officials or technical specialists, who often are the most careful readers and greatest users of our analysis. They, too, have been most complimentary. Our achievements and this recognition are due not just to the analysts whose names go on the papers or who do the briefings, but as well to the legions of secretaries, IAs, data processors, graphics designers, editors and all the other professionals who support the analysts.

I know already how good you are. I really know, having now reviewed more than 2000 of your draft papers. But it gives me immense pleasure and makes me very proud -- even Panglossian -- to have others in and out of government recognize just how exceptional you are, and the improving quality of our work.

1984	also	was	a banner	year	for	the	Directorate	in	terms	of
resources.										

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All in all then, the past year was a good one for the Directorate. You turned in a performance of which you can be proud.

Challenges Unmet

I want to spend most of my time discussing areas where I see room for improvement in the substantive work of the Directorate as well as areas of lingering concern to some of you. But before I do, I would like to discuss with you some administrative and personnel difficulties that I know are weighing on your minds.

There have been a number of announcements in recent weeks suggesting changes that would adversely affect you. These include primarily the five percent payout and changes in the

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retirement system. I have no special insider information for you on any payout. I can only sit back like the rest of you, wait and watch, and clutch my wallet.

On retirement, I can be more helpful. The three changes that seem to bother people the most are advancing the age of retirement from 55 to 65, changing the high three to high five, and increasing the size of the employee contribution beyond 7 percent. It is pointless for me to speculate on the prospects for this, although all of the proposals will be controversial. What I can tell you is that the senior officers of the Agency, beginning first and foremost with the Director, not only are seized with this problem but are working hard to ensure that the Agency retains a retirement system that recognizes the unique work and contribution of our people as well as the attendant risk. No one can predict whether we will be successful but I can assure you that the Director is committed personally to protecting us in this area and is prepared to use his considerable influence to that end. You should be aware we are working hard to protect your interests.

Another problem that I know besieges you daily is that of space. We are making some modest adjustments and there are a couple of offices that are in pretty good shape. We have laid the groundwork to ensure that when space in this building becomes available at the time the new building is ready, we will acquire enough of it to provide some relief to our overcrowding. In the meantime, in recent days I have sent to you a circular inviting suggestions for ways in which we might conserve space or make more space available in existing offices in order to accommodate the growing demands of additional analysts and new computer work stations.

Let me speak just for a moment to ADP. When the initial SAFE program begun in the mid-seventies failed, the greatest loss was time. For five or so years we put most of the Directorate's ADP eggs in one basket. For the last few years we have been trying to make up lost time, with some of the adverse side-effects of pushing hard. We are in the midst of a major expansion of our ADP capabilities. This effort has taught us a good deal about the problem of taking a time-sensitive enterprise such as ours into a world where our information flows depend heavily on the frailties of computers. In the process, we have seen our AIM notes disappear, our SAFE mail come and go, and our patience fray. I personally have encouraged ODP to take steps to improve system reliability.

On the other hand, when the system is working -- which is nearly all of the time -- many of us have found first hand what an important aid the computer can be. Our use of these automated tools must and will increase significantly in the future. I encourage all of you to become more familiar with the capabilities of our computer systems and actively to seek ways in which we can incorporate ADP into our everyday work.

I know that there are other problems that make our work harder, from AIM and SAFE systems that crash when we need them to parking problems to difficulties with cover while traveling abroad and so on. I will not go into detail on these but only would try to reassure you I am very aware of these problems —— in no small part thanks to my meetings with you at the branch level—— and we are doing our best to do something about them. As with the space problem, we have to work within the context of a very confining reality. Any ideas that you have that seem workable are most welcome and I urge you to send them to your Office Director, Helene Boatner, Dick Kerr or to me. In keeping with the Excellence program, these are areas where your ideas and creativity perhaps can help us make some progress on fairly tough problems.

Now let me turn to our substantive work. Improving quality breeds expanded expectations and, like sustaining an annual economic rate of growth, each year more must be done not just to improve but even to stay in the same place. I generally am content with the level of our production. While I would not want production to decline, I believe we are now in a position to focus even more attention on quality. And there are a number of problems that I have noticed or have had brought to my attention over the course of the year that could threaten the quality of our performance. Let me address several of them:

- -- First, several of your division chiefs who have worked in my office for a few weeks have observed, after reading 50 or a 100 draft papers, how many problems are due to a failure of analysts and managers to ask basic questions of a draft: Who is it really meant to serve? Why are we doing it? Do the assumptions stand up to scrutiny? Does it flow logically from one idea to the next? Too often, I find the answers to those questions fuzzy or, worse, negative. The author and each reviewer need to ask these questions.
- Second, bureaucratic barriers still hinder quality production. I believe we still have distance to cover in producing the genuinely multidisciplinary assessments we can and should. In some instances, offices have simply replicated little OERs, OSRs and OPAs. Where that has proved necessary, managers and analysts need to develop new ways of organizing research on specific topics to ensure they cross disciplinary boundaries. Also, there is too much insularity among offices and too little effort devoted to projects that cross office lines. More attention needs to be given to the formation of small, temporary task forces and other innovative means that cross office and disciplinary lines to accomplish projects that are broadly conceived and address issues in all their real-world complexity. We made a good start doing this last year. We need to do more.

-- Third, I worry that too many analysts, both experienced and new, do not know how to take advantage of the collection assets available to us, both human and technical.

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It is my intention that your offices, with CRES in the lead, undertake aggressive new training programs. The cooperation of all managers and analysts is needed. The billions of dollars spent on these systems will be wasted if analysts cannot use them properly. This is a specific duty in every analysts Performance Appraisal Report; it is now up to managers to ensure that analysts are given and take the opportunity to become familiar with these systems and the tasking and requirements process. This is a very high priority for us.

- -- Fourth, there is a need to continue expanding contacts with the policy community. Office Directors should intensify their contacts with policymakers, and contacts with policy agencies should be extended throughout the offices to include analysts and desk officers at State and Defense, Treasury and elsewhere. The better understanding all of us have of the requirements of the policy community, the greater the contribution we can make in our assessments.
- -- Fifth, we have made good progress in expanding our contacts with the outside world and in having expert outsiders either review our papers or debate the general outlines of our approach with us. Within the usual security bounds, we must expand, however, our contacts with outsiders who hold unorthodox ideas and therefore may be the most challenging to our assessments. We should be willing to listen to any point of view, to expose our analysis to challenge, change it if appropriate, or rest content that it stands up against the most difficult scrutiny.
- -- Sixth, too often we continue to approach our subjects with a mindset that precludes genuinely balanced analysis. It is imperative that our personal points of view be set aside and that we look at issues open mindedly. We need to beware of inadvertently prejudicial terms in our writings, for example, referring to the opposition in an authoritarian country as "agitators" or referring to governments we dislike as "puppet regimes" or making subtle judgments such as referring to someone we like as "respected" or "highly popular" in the absence of any evidence to that effect. We also need to treat new information more open

mindedly -- to avoid analytical laziness in the reflexive reaction "there is nothing new or important in this."

- -- Seventh, we still do not do enough with alternative scenarios or outcomes. Again, our evidence is rarely so good or our confidence so high that we honestly believe that there is only one outcome in any given set of circumstances. We need to be more forthcoming with our consumers about our own misgivings and more often put before them alternative outcomes with some notion of their likelihood. We should nearly always give a best estimate of what we think will happen, but we must be willing to address the implications of other reasonably plausible outcomes.
- Eighth, we must make it easier for analysts to challenge conventional wisdom. The review process has made a substantial contribution to the quality of our product. But one of the principal disadvantages of this review process apparently is that it places a premium on doing safe analysis -- safe in the sense that it is in accord with the generally accepted view within the Directorate, or the Agency or the government. There is apparently considerable difficulty for the analyst in doing a paper which challenges such conventional wisdom, in fighting for it all the way through the process. This is a serious problem. It is a fact of life that the conventional wisdom is predominantly correct; unhappily, the serious intelligence failures have occurred in those instances when the conventional wisdom has been wrong. One of the most important objectives of the opening to the outside in terms of contacts, conferences, review and debate is precisely to ensure that we are aware of unconventional views or the range of opinions on a given issue. What an irony that an organization that now devotes so much time and money and attention to soliciting unconventional views on the outside makes it so difficult for those views to surface internally.

What is needed is a change of attitude at all management levels, but especially among those who actually prepare PARs on analysts, who promote and reward. Managers must understand that unorthodox or unconventional points of view must be encouraged; failure to do so invites substantive failure. Indeed, such views might often represent the alternative outcomes we should be examining and writing about in any event.

Talking about this problem and inviting the discontented to send papers to me are not nearly enough. We must experiment with various approaches in order to find at least some that effectively promote the emergence of unorthodox ideas or alternative interpretations.

- Henceforth, analysts who have an alternative view that they cannot get through the system are invited to send these directly to me. In contrast with the offer I made three years ago, these need not be provided to intermediate levels of management. Frankly, I have great confidence in the branch, division, and office chiefs but if analysts see the office superstructure as an obstacle to putting forward unorthodox ideas, we must all be flexible enough to try approaches which diminish that concern.
- One of the concerns expressed to me is that analysts will undertake safe analysis because it is less risky not only for themselves but also for their supervisors. I am told that supervisors often take a safe course because they are concerned about my reaction on drafts that take different approaches. This is substantively inadvisable; it also is a basic misreading of my reactions. Banking on an assumption that analysts may sometimes be more bold than their supervisors, for a trial period of three or four months, Dick Kerr and I are going to send our comments on drafts directly back to the analysts. The analyst will be the first to see our reaction to the draft. As those analysts who have dealt with us directly can attest, we are pretty reasonable; where there is managerial conservatism, I hope the analysts can help overcome it, with help from us.
- NESA, a short time ago, undertook an experiment in which they presented side-by-side alternative views of approach to the peace process in the Middle East. This approach was then published as a PDB article. OEA has also tried an innovative challenge to the school solution on North Korea. I strongly urge other office directors and managers to consider such creative approaches to alternative analysis or unconventional wisdom.
- o Branch and division chiefs have substantive experience and expertise. I encourage them occasionally to do their own thinkpieces that challenge the school answer.

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- o Finally, managers must see to it that risky papers (for example, those where we don't know how much information will be available, whether the hypothesis will be sustained, or that challenge conventional wisdom) are undertaken by analysts. Should such an effort by a capable analyst fail -- and some will, the analyst must not be penalized but recognized for having attempted a difficult project that for one reason or another did not pan out. Occasional failure is the necessary companion of creativity and risk-taking. An institution that does not understand, accommodate, and even reward failure of this kind is bound to stifle creativity.
- -- Finally, let me turn to a problem that we have talked about in these sessions, in branch and division chief meetings, in my branch meetings and in the newsletters: the politicization or slanting of intelligence.

I believe that the emphasis we have placed on developing closer relationships with policymakers and making our work more relevant to their concerns and requirements has been accompanied by related growth of nervousness in the Directorate that we have become too attentive to the views of policymakers at all levels and that this has led to some shading of our analysis in some cases. Most of the people in this Directorate are sophisticated enough to understand that very few policymakers are unwise enough to call and pressure us directly. On the other hand, there is a constant, and it seems to me justifiable, concern that we will censor ourselves out of some misplaced desire to be helpful or to avoid offense, or that the pressures are even more subtle than that and involve our being coopted or included in the inner-circle, if you will, by policymakers, thereby increasing our desire not to jeopardize that special access. Moreover, policymakers at all levels will often ask questions or levy tasking by framing the question in such a way as to increase significantly the odds of getting the response they seek -- that is, one supportive of what they want to do. seems to me that none of this should come as any surprise to us. It is only natural that a policymaker usually is going to seek support from us and not assessments that may undercut the very basis of his policy.

What is important in this relationship between intelligence and policy is not what they seek from us or how they ask, but rather how we respond. The nature of our response, it seems to me, derives from what we think

this intelligence business is all about in the first place. In the past there was a substantial school of thought in this Agency and in this Directorate that considerable distance should be maintained between ourselves and the policymakers to prevent the kind of subtle influences on intelligence by the policymaker that I have just described. Contacts with the policymakers even at senior levels were very limited and we essentially sailed our material over the transoms hoping that someone would find what we had to say of interest.

If I learned one thing on the National Security Council Staff over a period of six years under three Presidents of both parties, it was that this approach was a waste of one of this government's most valuable assets: the analytical capabilities of CIA and the Intelligence Community. As was stated time and time again during those years, a significant percentage of intelligence provided to policymakers was neither timely nor relevant, opportunities were missed and policy mistakes made because intelligence analysts did not play their proper role.

I believe that it is essential for this government to use as much of our analysis as we can possibly put in front of policymakers. This requires that we know when they are dealing with a given issue, that we know what points are in dispute, and that we engage ourselves deeply in the process — not on behalf of one policy option or another but as objective observers of a given situation. Equally important, what we do must have credibility and utility in the eyes of the users. It must be seen by them as constructive, balanced, and open minded, even if critical.

We also need to bear in mind that our assessments are but one of many sources of information and analysis for a policymaker. We do not have a monopoly. Remember that he or she may have had frequent, direct contacts with the very foreign leaders whose motives or intentions you are trying to describe. That policymaker must weigh the credibility of your argument against what he witnessed with his own eyes and heard with his own ears. And few policymakers easily discount their own experience or analysis -- especially in the face of contrary view by an unknown intelligence analyst of unknown skill and background. Indeed, many policymakers and many in our own DO consider us hopelessly naive and out of touch with the real world of politics and decisionmaking. Further, many of our consumers do not

see us as objective, but as having a bias, a point of view of our own. Sometimes they are right -- we do occasionally fail to identify and set aside the biases we all have. And they are loathe to lay down their assumptions and biases only to accept what they see as ours. Finally, most policymakers, most of the time, want your facts and information but not necessarily your judgments or opinions. For all these reasons, it is essential that our work be well documented, that we lay out our evidence, that we express our judgments clearly and convincingly in the context of evidence, and that we watch the tone of what we say -- avoiding arrogant, all-knowing assertiveness.

As you consider some of the questions or criticisms of your analysis by those of us who review it, keep in mind that we are not necessarily trying to second guess you; we do not distrust your skill, nor are we trying to keep bad news from policymakers. Rather, we are trying to ensure that the intelligence contribution is as useful, as believable and as persuasive as possible. are trying to determine whether the case you have presented is the best we can do; if it is not, we are going to ask you to improve it. If we know the policymaker will be inclined to disagree with our assessment, then we intend to make it as difficult as possible for him to do so by virtue of our evidence, our logic, an openminded, honest appraisal that acknowledges our uncertainties, and our skillful presentation. We may even consult with him before we write so that he knows we have touched every base before drawing our independent conclusions.

The IG has inspected several of our offices involved in some of the most controversial issues in the last year or two and has found no evidence of bias. The Product Evaluation Staff has investigated a number of the controversial areas such as Central America. There was some contention, suspicion and anguish, but no one who was involved in the process felt the final products had a policy bias or slant. Our Oversight Committees review such issues and you may have read the House Committee's report that _______ Estimate in fact represented all points of view fairly.

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While rumors of pressure are common and often true, rumors that we have succumbed to such pressure also occasionally crop up. They are inevitable, probably unstoppable, and almost always entirely wrong or distorted greatly. Your analytical bent of mind should lead you not to accept stories at face value but should

stimulate you (if you are inclined to believe what you hear) to seek the facts from the author, the Product Evaluation Staff or others in a position to know. You are right to be sensitive to the scent of politicization and to the integrity of our work; indeed, should you fall silent on the issue, it would be a bad omen. But sensitivity should not give way to paranoia.

The bottom line is that we should not be offended if a policymaker asks a question in a prejudicial or pejorative way; neither should we write our analysis as though we have "revealed truth". And the more controversial the issue, the more essential it is to be certain that we have made every effort to ensure that the paper is as comprehensive and as candid as possible both to enhance its quality and to eliminate grounds for criticism to those who disagree with its findings.

This business of dealing with policymakers from the standpoint of intelligence is complicated. To those in our ranks who raise their hands in horror, saying that the policymakers are putting pressure on us, I say what's new and what have you done in response. They will do what they have to do and we must do what we have to do. If we are to play our proper role, we must offer honest, objective evaluations framed in such a way as to enhance their value, credibility and usefulness to the policy community.

It is a tough balancing act. It is an approach that tries to combine integrity and objectivity with an understanding that our purpose here is to help the policymaker and not to grade, judge, or criticize him. That help means often bringing unwelcome news or assessments — which we do. But, if the policymaker won't read us or believe us because we present our case weakly, arrogantly or insultingly, we are wasting our time and the taxpayers' money. I am very proud of our record of combining analytical integrity and service to policymakers. You should be proud as well.

Before leaving this matter of the relationship between us and the policymaker, let me say a few words about Mr. Casey's role. He is more intimately involved in your substantive work than you may realize. On current intelligence, while he has delegated to me day to day review of the PDB, you should know that many of the ideas for articles and items that appear in it are his and on a daily basis he meets with the PDB staff to review material that has been in the book, the reactions

of the readers, items that are being planned and to offer his own suggestions. On longer term work, many of you have seen his influence directly, inasmuch as the ideas for some of our most innovative work have been his. He and the DDCI review the draft research program for each office with great care and offer detailed comments. They are always aware especially of our most controversial work.

While you presumably are aware that your unprecedented access to senior policy people is derivative of his access and influence, what you may not realize is the degree of protection he affords you and our independence. From reports on the performance of the Salvadoran military, to Soviet plans for chemical warfare, to the Siberian gas pipeline, to Lebanon, to Soviet defense spending and other issues too numerous to count where we have had unwelcome messages for policymakers, the Director has been our shield. I know that he often hears from senior officials when they are unhappy with our assessments, but not once in three years has he called me to complain or criticize or regret a piece of finished intelligence we have produced. He takes the heat. This shield is further buttressed by John McMahon who, when I once told him that a senior official had asked me if the DDCI was ready to get a call from his boss to block a controversial paper, replied "Is he ready for the answer he'll get?"

The Future

In conclusion let me talk for a moment about the future. Three years ago, from this podium, I assured you I had no further major organizational changes in mind. This remains so now. I said I had great respect for senior managers in the organization and planned no major personnel changes. Over three years, there have been changes; others will come, but these will be a part of a gradual process of promotion and renewal.

Three years ago, I announced a number of measures to improve the quality of analysis:

- -- a dramatic increase in contacts with outside specialists, including our critics.
- -- a far more intensive review of draft papers and insistence that all managers regard the quality of the product as their most important responsibility.
- -- production files for each analyst to enable us to monitor performance over time.

- -- a coherent, far reaching research program for which we would be accountable, and commensurate strengthening of our resources for research.
- -- outside training for analysts every two years to broaden horizons, refresh skills and expand contacts.
- -- make our work better and more credible by more extensive presentation of evidence, more candor about reliability of our sources and zealous willingness to explore alternative scenarios.
- -- much improved contacts with the policymaker, including rotations to policy agencies for all prospective division chiefs.

These measures are and will remain the core of our program to improve analysis. Further, I urge you not to forget the lessons of the Excellence program -- to cut bureaucracy, to be risk-takers, to have a bias for action, to recognize quality performance, and to seek out innovative ways to do our work better. Excellence as a quality and as a program, ultimately is the responsibility of each of us.

In terms of future resources, judging from the information that I have now and my sense of what is going on, the Directorate will be relatively well protected in terms of its budget and people. We must make a considerable effort this year, working with the Office of Personnel, to fill the positions that we have available. I am optimistic that we can do this based on the progress over the last two or three months. Progress continues against the 1985 research program and the additional analytical resources that we are acquiring will make it all the more possible to develop this important element of our work further.

For the longer term, it seems to me that the future of CIA and of the Directorate in particular is very bright. Increasingly, CIA is becoming the only place in the government that is devoting the resources, energy and effort to collection and analysis on the problems that will face this country two, five, ten and even twenty years in the future. The breadth of work we are doing is unique in the national security arena.

There is no place in either government or the private sector that has assembled as large a staff of highly talented people and given them the resources to inform as important or broad a group of people about the future as has CIA. You know that policymakers have little time to listen to academics or to read long studies. What we have here is the unique opportunity and skill to combine what is known to the government, what is available in the private sector, information available through unique intelligence assets, and our own expertise and the opportunity to present it to policymakers in ways that they can absorb and use.

I see our role and importance in the government growing steadily in the years ahead. This will place great responsibilities on the shoulders everyone in the Directorate -- support people, analysts and managers -- first, in intelligently tasking our enormous collection capabilities; second, in continuing to develop our cadre of people to exploit these capabilities; and, third, in organizing our research effort so as to present the most important issues to policymakers in a useable way.

I believe in an age of information overload and policymakers preoccupied with day to day concerns, we bear an increasingly heavy burden not just to provide currently relevant intelligence, but also to ensure the compilation of needed basic information and that longer range problems are brought to the attention of both the Executive and the Congress. The quality of our work and the growing dependence of this government upon us are borne out by the remarkable growth in the number of those whom we serve, from just a few national security organizations to nearly every department in the Executive Branch and now the Congress.

It is an exciting time to be an analyst. We are at an important transition point in our work: the convergence of new resources for research, directorate-wide incorporation of machine systems to aid analysis, a data explosion from new collection system and extraordinary growth in customers. All will change dramatically the way we do business.

Reading your papers day in and day out I never cease to be amazed at the quality and diversity of your work. While the difficulties of bureaucratic life may occasionally weigh you down and the pain of shepherding an intelligence assessment may seem inordinate, the fact is that we have enormous confidence in you.

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policymakers where you are on rotations to have you stay, the number of you who receive offers from the outside world for salaries far in excess of what you receive now, the number of you invited to brief the most senior officials in the government, all attest to the calibre of our people. It is a pleasure to be associated with you and I look forward to the coming year as another one in which you will continue to impress and astound those who are becoming ever more dependent on your work -- and during which we will continue to improve that work.

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